



# House of Representatives

General Assembly

**File No. 647**

*January Session, 2003*

House Bill No. 5215

*House of Representatives, May 6, 2003*

The Committee on Finance, Revenue and Bonding reported through REP. STILLMAN of the 38th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## **AN ACT CONCERNING A PROPERTY TAX EXEMPTION FOR CERTAIN FARM BUILDINGS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-91 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2003*):

3 (a) All farm machinery, except motor vehicles, as defined in section  
4 14-1, to the value of one hundred thousand dollars, any horse or pony  
5 which is actually and exclusively used in farming, as defined in section  
6 1-1, when owned and kept in this state by, or when held in trust for,  
7 any farmer or group of farmers operating as a unit, a partnership or a  
8 corporation, a majority of the stock of which corporation is held by  
9 members of a family actively engaged in farm operations, shall be  
10 exempt from local property taxation; provided each such farmer,  
11 whether operating individually or as one of a group, partnership or  
12 corporation, shall qualify for such exemption in accordance with the  
13 standards set forth in subsection [(c)] (d) of this section for the

14 assessment year for which such exemption is sought. Only one such  
15 exemption shall be allowed to each such farmer, group of farmers,  
16 partnership or corporation. Subdivision (38) of section 12-81 shall not  
17 apply to any person, group, partnership or corporation receiving the  
18 exemption provided for in this subsection.

19 (b) Any municipality, upon approval by its legislative body, may  
20 provide an additional exemption from property tax for such  
21 machinery to the extent of an additional assessed value of one hundred  
22 thousand dollars. Any such exemption shall be subject to the same  
23 limitations as the exemption provided under subsection (a) of this  
24 section and the application and qualification process provided in  
25 subsection [(c)] (d) of this section.

26 (c) Any municipality, upon approval by its legislative body, may  
27 provide an exemption from property tax for any building, to the extent  
28 of an assessed value of one hundred thousand dollars, used actually  
29 and exclusively in farming, as defined in section 1-1. Such exemption  
30 shall not apply to any residence of such farmer and shall be subject to  
31 the application and qualification process provided in subsection (d) of  
32 this section.

33 [(c)] (d) Annually, within thirty days after the assessment date in  
34 each town, city or borough, each such individual farmer, group of  
35 farmers, partnership or corporation shall make written application for  
36 the exemption provided for in subsection (a) of this section to the  
37 assessor or board of assessors in the town in which such farm is  
38 located, including therewith a notarized affidavit certifying that such  
39 farmer, individually or as part of a group, partnership or corporation,  
40 derived at least fifteen thousand dollars in gross sales from such  
41 farming operation, or incurred at least fifteen thousand dollars in  
42 expenses related to such farming operation, with respect to the most  
43 recently completed taxable year of such farmer prior to the  
44 commencement of the assessment year for which such application is  
45 made, on forms to be prescribed by the Commissioner of Agriculture.  
46 Failure to file such application in said manner and form within the

47 time limit prescribed shall be considered a waiver of the right to such  
48 exemption for the assessment year. Any person aggrieved by any  
49 action of the assessors shall have the same rights and remedies for  
50 appeal and relief as are provided in the general statutes for taxpayers  
51 claiming to be aggrieved by the doings of the assessors or board of  
52 assessment appeals.

This act shall take effect as follows:	
Section 1	<i>July 1, 2003</i>

**ENV**      *Joint Favorable C/R*

FIN

**FIN**      *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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**OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:**

<b>Municipalities</b>	<b>Effect</b>	<b>FY 04 \$</b>	<b>FY 05 \$</b>
Various Municipalities	See Below	See Below	See Below

**Explanation**

There is a grand list reduction to a municipality that chooses to exempt up to \$100,000 of assessed value of any real property used exclusively for farming excluding residences. Therefore such municipality could increase its mill rate to offset any decrease in property taxes as a result of the reduction on their grand list.

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**OLR Bill Analysis**

HB 5215

***AN ACT CONCERNING A PROPERTY TAX EXEMPTION FOR CERTAIN FARM BUILDINGS*****SUMMARY:**

This bill authorizes a municipality, upon approval of its legislative body, to exempt from property tax up to \$100,000 of the assessed value of any building actually and exclusively used in farming, as defined by law. This exemption does not apply to farmers' homes. Farmers must apply and qualify for the exemption according to law.

EFFECTIVE DATE: July 1, 2003

**COMMITTEE ACTION**

Environment Committee

Joint Favorable Change of Reference

Yea 27      Nay 0

Finance, Revenue and Bonding Committee

Joint Favorable Report

Yea 42      Nay 0